

Casino Impact on the Town of Ledyard, CT (FOXWOODS RESORT & CASINO)

"Executive Summary The Southeastern Connecticut region has experienced substantial economic growth over the last decade due in part to the development of Foxwoods Resort Casino and Mohegan Sun Casino. This growth however, has imposed profound impacts on the towns in the region. Impacts include, but are not limited to: 24 hour per day traffic increases, resulting in the need for additional traffic control and highway management; increased number of motor vehicle accidents, requiring additional motor vehicle enforcement; increased DWI incidents, which occur at a frequency higher than anywhere else in the state; and the need for more emergency medical services. These impacts not only affect the quality of life in our towns, but they place significant additional fiscal burdens on the towns as well.

Host communities in the region such as Ledyard, population 15,000, face these issues in addition to not receiving the full benefit of economic growth through grand list expansion.

In 2000/01, quantifiable costs to the Town of Ledyard resulting from hosting Foxwoods Casino total \$2,221,976.00.

COST	AREA
\$336,084.00	Crime
\$5,098.00	General Assistance / Social Services
\$370,000.00	Legal Costs of Annexation
\$870,000.00	Local Roads & Bridges -- Anticipated future improvements
\$330,000.00	Local Roads & Bridges -- Improvements completed
\$49,864.00	Local Zoning Enforcement & Litigation
\$260,930.00	Public Safety & Traffic
\$2,221,976.00	Costs incurred

In the case of most significant economic development projects, host municipalities can look to the growth in property taxes as a source of revenue to support the costs of the development. However, in this case, the casinos are federally recognized sovereign nations and are not subject to local taxes or state taxes.

The Gaming Compact negotiated by then Governor Welcker provided that 25% of the slot machine revenue generated by the Casinos would be given to the State of Connecticut "Pequot Fund". The State then developed funding programs for municipalities to enable them to share in the economic success of the Casinos. In 2000/01, the Casinos paid \$335,000,000.00 to the State of Connecticut. Of that, \$135,000,000.00 or 40% was allocated to Connecticut municipalities.

Ledyard Connecticut, a host town of Foxwoods Casino, received only \$689,000.00 or .5% of the municipal share available.

2000/01 quantifiable cost to the Town of Ledyard resulting from hosting Foxwoods Casino \$2,221,976.00!!!

Ledyard, CT, the host town of Foxwoods casino received \$689,050.00 from the state Pequot fund. When other towns in Connecticut are reaping monetary rewards from the casino with out any financial burden. Ledyard, CT, one of the host towns is incurring costs from the casino of \$2,221,976.00, and only receiving \$689,000.00.

Ledyard continues to see its local property tax base erode as a result of hosting the Mashantucket Pequot Indian reservation. The applications by the Pequot Tribe to the U.S. Department of Interior to annex 232 additional acres will decrease Ledyard's annual property taxes by \$152,000.00. The current and future loss of taxes from casino related developments located on these tribal properties leaves Ledyard in the position of cutting back on providing essential services to the 15,000 residents, casino patrons and casino employees who travel the roads daily. As a host community Ledyard must look to the State to recognize the quantifiable and quantifiable impacts Foxwoods Casino has had on the town and amend the "Pequot Formula" to return to the Town an amount that reflects the actual impact aid Ledyard need and deserves

Introduction

Foxwoods casino opened February 1992, it is the largest casino in the world, operating 24 hours a day 365 days a year. The casino averages 55,000 visitors a day and the museum attracts an estimated 300,000 visitors a year exclusively to

the museum. The casinos have brought many jobs to the area acting as a stimulus. But most the jobs created are low paying \$15,000 to \$25,000 per year.

But for the town of Ledyard, population 15,000, the development has presented unique difficulties and has come at a real cost to the Town. As a host community, the significant increase in visitors to the town means dealing with an increase in demand for municipal obligations such as public safety, traffic control street maintenance, emergency services, social services and government administration. An equally critical issue is the impact on the quality of life. Financial and social impacts on the town manifest themselves in many ways: Rapidly escalating crime rate leading to increased policing and emergency services cost, the increases in traffic along local roads and state highways leading to deteriorating roadway infrastructure, and now having the highest DWI / DUI rate in the state.

Two statistics alone would suffice to make this point.

1. Between 1990 and 1998, a period when the overall crime rates in the New London Labor Market Area had declined by 10.8%, the crime rate in Ledyard went up by 300%1. If only "out of casino" crimes are considered, Ledyard alone has registered a 70% in crime in that same period.

2. The second statistic, from the Connecticut Department of Transportation shows an approximately 200% increase in traffic volumes on state highways from 1988 to 1996. While the period slowed over the period from 1997 to 2000 on state roads in Ledyard, the number of visitors to Foxwoods has increased by 4%. Since on new road have been built in that time frame, it is safe to assume that visitors to the casino are no using local road rather that state roads, to reach the casino.

Annexation simply put, lands taken into trust do not pay local property taxes, which are primary source of funds used by the three towns to pay for roadway infrastructure im0provements and policing costs

Public Safety Impacts and Increase Policing Costs

One of the major adverse impacts of the significant increase in the number of visitors and employees passing through Ledyard to get to the casino is increased public safety concerns, motor vehicle violations and criminal activity.

	1994	1995	1996	1997	1998	1999	2000
Total Police Contacts	2669	3659	3348	2805	1814	2063	2107

Source: Ledyard Police Department

A study covering 1990 to 1998 (The Connecticut Economy, Summer 1999) shows that over these years, the crime rates decrease statewide by 29.7 (%) percent. However, the crime rate in Ledyard increased by more that 300 (%) percent.

Year	In Casino Crime	Out of Casino Crime	Total Crime
1990	-	-	214
1991	-	-	214
1992	-	-	283
1993	496	535	1031
1994	1212	573	1785
1995	1231	542	1773
1996	828	523	1351
1997	757	541	1298
1998	989	364	1353

Since 1998 the Crime and Analysis Unit of the Department of Public Safety, Division of State Police Compiles statistics in a different format.

Major crimes are now reported as Index Crime and Include MURDER, RAPE, ROBBERY AN AGGRAVATED ASSAULT, BURGLARY, LARCENY AND MOTOR VEHICLE THEFT.

Since the new statistics have been kept there has been a 10 (%) percent increase in just one year in the number of serious crimes

Increase in Index Crimes

Year	Number of Index Crime	% Increase
1999	158	
2000	175	10%

The Town of Ledyard has had to hire (5) five new officers since the casino opened.

Increase Demand on Local Zoning Enforcement

The entire Foxwoods development was built without a public hearing for neighbors to comment and express concerns on impacts to their towns. For towns the only apparent legal avenue for comment is on appeal to a GENERAL DISTRICT COURT. Any find of construction that takes place on tribal reservations does not have any environmental impact studies, zoning hearings, wetlands regulations etc...

Social Services Impact The development of Foxwoods Casino was instrumental in stabilizing and restoring the region's economy following the 1992 recession. However, studies show that the new casino related jobs are much lower paying compared to the defense jobs that were the mainstay of the local employment pre 1992. According to the CT Department of Labor, the average annual New London County manufacturing wage was \$42,730.00; this dropped to below \$27,000.00 for those employed in the service sector, which includes the casino.

Legal Costs of Annexation

Since 1992, the Towns of Ledyard, Preston, and North Stonington have fought to prevent Tribal annexation of additional lands located outside of the 1983 Mashantucket Pequot reservation boundary. This has been very expensive. To date, Ledyard has paid almost \$370,000.00 in legal fees fighting this proposed annexation by the Mashantucket Pequot. If not successful in preventing this annexation, virtually all of the Pequot's' expanding resort complex will become tax exempt. Note: If a Federally recognized tribe owns property in your town they can request that it be annexed. If this happened it is removed from your town's tax base, they pay not property tax.

Conclusion

It is time that the ongoing and significant financial and social impacts, the host towns (Ledyard, Preston, and North Stonington) be recognized and addressed. This year, close to 100,000 visitors per day will visit the two casinos at every hour of the day and night. Making 100,000 to 200,000 vehicle trips a week through our communities. The obvious impacts, such as additional local police, fire and ambulance personnel, additional administrative staff costs, traffic impacts on state highways and local roads, typical of many large, and traffic generation developments continue to have a significant negative impact on the local budgets. Other more subtle impacts are unique to the development, growth and operation of a casino owned by a federally reconvened Tribal Nation. Impacts such as loss of tax revenue and restricted grand list growth, the social cost of problem gambling, inability to regulate land use and uncertainty about where and how future development will occur, will continue to effect the financial stability, rural character and quality of life of our town."

Source: Report, Fiscal Impacts of Foxwoods Casino on the Town Of Ledyard, Connecticut. Mayor Wesley J. Johnson, Sr.; Town of Ledyard; December 2001